

Title 20--DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS  
AND PROFESSIONAL REGISTRATION  
Division 500--Property and Casualty  
Chapter 7—Title

EMERGENCY RULE

20 CSR 500-7.070 Affiliated Business Arrangements.

*PURPOSE: This regulation prescribes requirements for disclosure to customers and reporting to the director of affiliated business arrangements.*

*EMERGENCY STATEMENT: This emergency rule outlines the disclosure requirements regarding affiliated business arrangements. This emergency rule is necessary to preserve the public welfare of Missouri citizens by ensuring that the public, title insurers, title agencies and title agencies understand the disclosure requirements outlined in Senate Bill 66, Laws 2007. Between July 2007 and the present, the department has met with title agents, most of whom represented small businesses, to discuss how to best implement the new requirements in Senate Bill 66, Laws 2007. The relevant portions of Senate Bill 66 take effect on January 1, 2008, and the industry has expressed to the department that it requires further guidance on how it is expected to comply. As a result, the Missouri Department of Insurance, Financial Institutions and Professional Registration finds an immediate danger to the public welfare and a compelling governmental interest, which requires emergency action. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. In developing this emergency rule, representatives of the insurance industry were consulted. The department believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed on January 16, 2008, effective January 28, 2008, and expires July 14, 2008.*

(1) Disclosure to Customer.

(A) It is unlawful for a title insurer, title agency or title agent to accept an order for title services from any producer with an affiliated business arrangement, unless contemporaneous with the referral, the title insurer, title agency or title agent discloses the affiliated business arrangement or has taken reasonable steps to verify that the producer has disclosed the arrangement. Disclosure to its customer of the existence of the affiliated business arrangement may be made by using the Affiliated Business Disclosure form (Form T-4), or any form that substantially comports with the specified form.

(B) The disclosure required by this rule may be made in combination with all disclosures made under Rule 20 CSR 500-7.050.

(2) Annual Report.

(A) Title insurers, agencies and agents are required under section 381.029.4, RSMo, to file reports with the director setting forth the names and addresses of any persons with a financial interest in the insurer, agency or agent, which the insurer, agency or agent

knows to be producers or associates of producers. The report shall be made annually by submitting a completed Affiliated Business Arrangement Report form (Form T-5), or any form that substantially comports with the specified form, no later than March 31 of each year.

(B) Title insurers, agencies and agents shall have a continuing duty to update the information supplied pursuant to Form T-5 within thirty (30) days of any material change in the information required on the form.

*AUTHORITY: Sections 374.045, 381.042, 381.118, RSMo (Supp. 2007). Emergency Rule Filed January 16, 2008, effective January 28, 2008 and expires July 14, 2008. A proposed rule covering this same material is published in this issue of the **Missouri Register**.*